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SUBJECT: INDONESIA AND THE INTERNET: DEMOCRACY, PROGRESS AND
POSSIBILITIES

REF: A) 09 JAKARTA 1951 B) 09 JAKARTA 1103

11. SUMMARY: Indonesia is a unique example of how free and open new media and technology can support democracy and economic growth, a theme we understand Secretary Clinton plans to address at the Newseum on January 21. Indonesian civil society is already harnessing social networking media to influence government actions and policy. Post is drawing on cutting-edge technology to increase the effectiveness of programming in strategic areas. There are positive indications that the regulations governing the fast-growing telcom sector may be slated for reform, paving the way for greater U.S. involvement. In this environment, opportunities abound for the U.S. to partner with Indonesia to develop and leverage the nation's free and active internet community and technology infrastructure.
END SUMMARY.

HOW CIVIL SOCIETY USES NEW MEDIA

12. Although only 10% of Indonesians have internet access, the web is fast becoming an invaluable tool for Indonesian civil society. The internet community has remained vibrant, despite a 2008 law mandating up to six years in prison for online defamation. Indonesia has the second-fastest growing group of Facebook users in the world, and the social networking site has become a key forum for political expression. In recent months, more than one million Indonesians used Facebook to protest the arrest of two widely respected members of the Corruption Eradication Commission on what were widely regarded as trumped up charges, forcing the government to take action (ref A). Hundreds of thousands of Facebook users rallied in defense of Prita Mulyasari, an Indonesian housewife jailed for complaining through e-mail about poor medical service (ref B). The case sparked an immense outpouring of public support for the accused and open criticism of the defamation law, which is now slated for reexamination by the Indonesian legislature.

WHAT EMBASSY JAKARTA IS DOING WITH THE WEB AND TECHNOLOGY

13. Post is already leveraging new media and technology to increase program effectiveness. USAID's Senada program is just one example of how technology can enhance the competitiveness of Indonesian enterprises and agribusinesses. Internet centers in rural areas enable farmers to market their products using the internet and keep their operations supplied more efficiently. There is enormous potential for collaboration with the private sector as well. Another USAID initiative is "IMulai", a public-private partnership with Microsoft Indonesia designed to stimulate innovation. Those ideas will in turn contribute to the development of Indonesia's light manufacturing industries. Post has joined forces with a number of private-sector IT firms to form an "ICT Task Force", which is examining ways to put cutting-edge U.S. technology in Indonesian classrooms.

14. Technology has also proved an effective platform for democracy and governance initiatives. USAID's electronic Community

Information Service (e-CIS for short) is an internet and SMS-based service by which citizens can directly convey concerns, complaints and suggestions to the local government via SMS or by posting on the local government's website. The information is then automatically forwarded to the relevant office for a response within 48 hours. E-CIS was nominated for this year's Indonesian Information and Communication Technology Awards for Software Innovations.

15. The new media environment in Indonesia provides a multitude of opportunities for public diplomacy and for engagement with new and younger audiences. The Mission has launched a YouTube channel and a Facebook page with promising results. Embassy Jakarta has 22,415 active Facebook fans and more than 3,000 viewers on YouTube. Also, for the past two years, the Mission has been lead sponsor of "Pesta Blogger," an annual gathering of Indonesian bloggers. Post has also recently sponsored blogshops which drew hundreds of young attendees across ten cities.

16. Despite the low level of internet penetration, Indonesia boasts more than one million PDAs and iPhones, and the highest rate of growth in the world for the Blackberry handheld. Existing regulations require domestic telecommunications operators to source a significant percentage of capital and operating expenditures domestically, discouraging foreign investment and hindering long-term development of the sector. However, in addition to possible remedy through the WTO, there is well-placed support for reform within the GOI. The time is right to explore additional possibilities with Indonesia's increasingly web-savvy population and growing technology sector.

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